## LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

200 W. Washington, Suite 301 Indianapolis, IN 46204 (317) 233-0696 http://www.in.gov/legislative

## FISCAL IMPACT STATEMENT

**LS 6775 NOTE PREPARED:** Mar 12, 2009 **BILL NUMBER:** HB 1671 **BILL AMENDED:** Mar 10, 2009

**SUBJECT:** Nursing Scholarships.

FIRST AUTHOR: Rep. Michael BILL STATUS: As Passed Senate

FIRST SPONSOR: Sen. Head

FUNDS AFFECTED: GENERAL IMPACT: State

X DEDICATED FEDERAL

Summary of Legislation: (Amended) This bill requires a recipient of a nursing scholarship to agree in writing to work as a practicing nurse providing direct patient care for: (1) an acute care or speciality hospital; (2) a long term care facility; (3) a rehabilitation care facility; (4) a home health care entity; (5) a hospice program; (6) a mental health facility; or (7) a facility located in a shortage area. The bill allows for continued nursing scholarship program eligibility of nursing students who have not agreed to work in specified facilities or programs until June 30, 2011.

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: (Revised) This bill can potentially impact expenditures from the Nursing Scholarship Fund to the extent that the qualifications are more restrictive. The bill specifies that after June 30, 2011, only individuals that (1) are in nursing programs that allow students to obtain licensing as a registered nurse or licensed practical nurse and (2) agree to provide direct patient care in specific health care settings, will initially be eligible for scholarships. Individuals who received nursing scholarships before July 1, 2009, would still be eligible to renew scholarships until June 30, 2011, provided they meet eligibility criteria contained in current law and have not agreed to work in specified facilities or programs.

Depending on the decisions of school administrators, the legislation may affect scholarships in the following ways; (1) additional scholarships may be available to other eligible nursing students or (2) current nursing students who previously received nursing scholarships and would remain eligible will receive larger scholarship amounts. It should be noted that any change in scholarship amounts per student in an academic year cannot exceed (1) the tuition expenses for an entire academic year or (2) \$5,000, whichever is less.

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<u>Background Information</u>: Money in the Nursing Scholarship Fund does not revert to the state General Fund at the end of each fiscal year. The Fund consists of appropriations from the General Assembly and gifts. Appropriations made to the Fund were \$410,000 for FY 2008 and \$418,000 for FY 2009.

## **Explanation of State Revenues:**

**Explanation of Local Expenditures:** 

**Explanation of Local Revenues:** 

**State Agencies Affected:** State Student Assistance Commission.

**Local Agencies Affected:** 

<u>Information Sources:</u> Yvonne Heflin, State Student Assistance Commission.

Fiscal Analyst: Bill Brumbach, 232-9559

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